

University of Groningen

Voluntary disclosure of corporate performance targets

Impink, Johannes Anthonius

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version

Publisher's PDF, also known as Version of record

Publication date:

2011

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Impink, J. A. (2011). *Voluntary disclosure of corporate performance targets*. University of Groningen, SOM research school.

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

References

- Aboody, D. and R. Kasznik, 2000. CEO stock option awards and the timing of corporate voluntary disclosures. *Journal of Accounting and Economics* 29(1): 73-100.
- Ajinkya, B. and M. Gift, 1984. Corporate managers' earnings forecasts and symmetrical adjustments of market expectations. *Journal of Accounting Research* 22(2): 425-444.
- Ajinkya, B., S. Bhojraj and P. Sengupta, 2005. The association between outside directors, institutional investors and the properties of management earnings forecasts. *Journal of Accounting Research* 43(3), 343-376.
- Akerlof, G. 1970. The market for "lemons": Quality uncertainty and the market mechanism. *The Quarterly Journal of Economics* 84(3): 488-500.
- Atiase, R., H. Li, S. Supattarakul and S. Tse, 2005. Market reaction to multiple contemporaneous earnings signals: Earnings announcements and future earnings guidance. *Review of Accounting Studies* 10(4): 497-525.
- Baginski, S. and J. Hassell, 1997. Determinants of management forecast precision. *The Accounting Review* 72(2): 303-312.
- Baginski, S. and J. Hassell, 1990. The market interpretation of management earnings forecasts as a predictor of subsequent financial analyst forecast revision. *The Accounting Review* 65(1): 175-190.
- Baker, G., R. Gibbons and K. Murphy, 1997. Implicit contracts and the theory of the firm. Working paper.
- Bamber, L. and Y. Cheon, 1998. Discretionary management earnings forecast disclosures: Antecedents and outcomes associated with forecast venue and forecast specificity choices. *Journal of Accounting Research* 36(2): 167-190.
- Banker, R., G. Potter and D. Srinivasan, 2000. An empirical investigation of an incentive plan that includes nonfinancial performance measures. *The Accounting Review* 75(1): 65-92.
- Barth, M., W. Beaver and W. Landsman, 1998. Relative valuation roles of equity book value and net income as a function of financial health. *Journal of Accounting and Economics* 25(1): 1-34.
- Beyer, A., D. Cohen, T. Lys and B. Walther, 2009. The financial reporting environment: Review of the recent literature. Working paper.
- Berle, A. and G. Means, 1932. The modern corporation and private property. Harcourt, Brace & World, New York.
- Biddle, G., G. Seow and A. Siegel, 1995. Relative versus incremental information content. *Contemporary Accounting Research* 12: 1-23.

- Botosan, C., 1997. Disclosure level and the cost of equity capital. *The Accounting Review* 72(3): 323-349.
- Botosan, C. and M. Harris, 2000. Motivations for a change in disclosure frequency and its consequences: An examination of voluntary quarterly segment disclosures. *Journal of Accounting Research* 38(2): 329-353.
- Botosan, C. and M. Plumlee, 2002. A re-examination of disclosure level and the expected cost of equity capital. *Journal of Accounting Research* 40(1): 21-40.
- Brown, N., L. Gordon and R. Wermers, 2006. Herd behavior in voluntary disclosure decisions: An examination of capital expenditure forecasts. Working paper.
- Bushee, B. and C. Noe, 2000. Corporate disclosure practices, institutional investors, and stock return volatility. *Journal of Accounting Research* 38(supplement): 171-202.
- Campbell, J. and R. Shiller, 1988. The dividend-price ratio and expectations of future dividends and discount factors. *Review of Financial Studies* 1: 195-228.
- Campion, M. and R. Lord, 1982. A control systems conceptualization of the goal-setting and changing process. *Organizational Behavior and Human Decision Processes* 30: 265-287.
- Carhart, M., 1997. On persistence in mutual fund performance. *The Journal of Finance* 52(1): 57-82.
- CFA Institute. 2006. Breaking the Short-Term Cycle.
- Chen, R., 1975. Social and financial stewardship. *The Accounting Review* 50(3): 533-543.
- Chen, S., X. Chen and Q. Cheng, 2007. Do family firms provide more or less voluntary disclosure? Working paper.
- Chen, S., D. Matsumoto and S. Rajgopal, 2006. Is silence golden? An empirical analysis of firms that stop giving quarterly earnings guidance. Working paper.
- Clarke, G. and L. Murray, 2000. Investor relations: Perceptions of the annual statement. *Corporate Communications*, 5(3), 144-151.
- Clarkson, P., J. Kao and G. Richardson, 1994. The voluntary inclusion of forecasts in the MD&A section of annual reports. *Contemporary Accounting Research* 11(1): 423-450.
- Collins, D., M. Rozeff and D. Dhaliwal, 1981. The economic determinants of the market reaction to proposed mandatory accounting changes in the oil and gas industry. *Journal of Accounting and Economics* 3(1): 37-72.
- Cools, K. and M. van Praag, 2003. The value relevance of voluntarily disclosing a single corporate target: an explorative empirical analysis. Working paper.
- Darrough, M. and N. Stoughton, 1990. Financial disclosure policy in an entry game. *Journal of Accounting and Economics* 12(1-3): 219-243.

- Daske, H., 2006. Economic benefits of adopting IFRS or US-GAAP – Have the expected costs of equity capital really decreased? *Journal of Business, Finance and Accounting* 33(3-4): 329-363.
- Dechow, P., A. Hutton, R. Sloan, 1999. An empirical assessment of the residual income valuation model. *Journal of Accounting and Economics* 26: 1-34.
- Degeorge, F., Patel, J. and R. Zeckhauser, 1999. Earnings management to exceed thresholds. *Journal of Business* 72 (1), 1-33.
- Demski, J. and R. Dye, 1999. Risk, return and moral hazard. *Journal of Accounting Research* 37(1): 27-56.
- Diamond, D. and R. Verrecchia, 1991. Disclosure, liquidity, and the cost of capital. *The Journal of Finance* 46(4): 1325-1359.
- Dutta, S. and B. Trueman, 2002. The interpretation of information and corporate disclosure strategies. *Review of Accounting Studies* 7(1): 75-96.
- Dye, R., 1985. Disclosure of nonproprietary information. *Journal of Accounting Research* (23)1: 123-145.
- Dye, R., 2001. An evaluation of “essays on disclosure” and the disclosure literature in accounting. *Journal of Accounting and Economics* 32: 181-235.
- Easley, D. and M. O’Hara, 2004. Information and the cost of capital. *The Journal of Finance* 59(4): 1553-1583.
- Easton, P., 1998. Discussion of revalued financial, tangible assets: Association with share prices and non-market-based value estimates. *Journal of Accounting Research*, 36: 235-247.
- Easton, P., 2004. PE ratios, PEG ratios, and estimating the implied expected rate of return on equity capital. *The Accounting Review* 79(1): 73-95.
- Easton, P., 2006. Use of forecasts of earnings to estimate and compare cost of capital across regimes. Notes prepared for the *Journal of Business, Finance and Accounting* 33: 374-394.
- Easton, P., P. Eddey, T. Harris, 1993. An investigation of revaluations of tangible long-lived assets. *Journal of Accounting Research* 31(Supplement): 1-38.
- Easton, P. and J. Pae, 2004. Accounting conservatism and the relation between returns and accounting data. *Review of Accounting Studies* 9(4): 495-521.
- Easton, P. and G. Sommers, 2007, Effect of analysts’ optimism on estimates of the expected rate of return implied by earnings forecasts. *Journal of Accounting Research* 45(5): 983-1015.
- Easton, P. G. Taylor, P. Shroff and T. Sougiannis, 2002. Empirical estimation of the expected rate of return on a portfolio of stocks. *Journal of Accounting Research* (40): 657-676.

- Easton, P. and M. Zmijewski, 1989. Cross-sectional variation in the stock market response to accounting earnings announcements. *Journal of Accounting and Economics* 11(2-3): 117-141.
- Eng, L. and Y. Mak, 2003. Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, 22 (4), 325-345.
- Ertimur, Y, 2004. Accounting numbers and information asymmetry: Evidence from loss firms. Working paper.
- Fama, E. and K. French, 1992. The cross-section of expected stock returns. *Journal of Finance* 47(2): 427-465.
- Fama, E. and K. French, 1993. Common risk factors in the returns on stocks and bonds. *Journal of Financial Economics* 33(1): 3-56.
- Fama, E. and K. French, 1996. CAPM is wanted, dead or alive. *The Journal of Finance* 51(5): 1947-1958.
- Fama, E. and K. French, 1997. Industry costs of equity. *Journal of Financial Economics* 43: 153-193.
- Feltham, G. and J. Ohlson, 1995. Valuation and clean surplus accounting for operating and financial activities. *Contemporary Accounting Research* 11(2): 689-731.
- Feltham, G. and J. Xie, 1992. Voluntary financial disclosure in an entry game with continua of types. *Contemporary Accounting Research* 9(1): 46-80.
- Feltham, G. and J. Xie, 1994. Performance measure congruity and diversity in multi-task principal/agent relations. *The Accounting Review* 69(3): 429-453.
- Ferreira, D and M. Rezende, 2007. Corporate strategy and information disclosure. *RAND Journal of Economics* 38(1): 164-184.
- Fox, J., 1991. *Regression Diagnostics*. Quantitative applications in the social sciences. Series No. 79. Thousand Oaks, CA: Sage Publications.
- Francis, J., D. Nanda and P. Olsson, 2008. Voluntary disclosure, earnings quality, and cost of capital. *Journal of Accounting Research* 46(1): 53-99.
- Frankel, R., M. Johnson and D. Skinner, 1999. An empirical examination of conference calls as a voluntary disclosure medium. *Journal of Accounting Research* 37(1): 133-150.
- Frankel, R., M. McNichols, and G. Wilson. 1995. Discretionary disclosure and external financing. *The Accounting Review* 70(1): 135-150.
- Gebhardt, W., C. Lee and B. Swaminathan, 2001. Toward an implied cost of capital. *Journal of Accounting Research* 39(1): 135-176.

- Gibbins, M., A. Richardson and J. Waterhouse, 1992. The management of financial disclosure: theory and perspective. Vancouver: Certified General Accountants' Research Foundation.
- Gjesdal, F., 1981. Accounting for stewardship. *Journal of Accounting Research* 19(1): 208-231.
- Graham, J. and C. Harvey, 2001. The theory and practice of corporate finance: evidence from the field. *Journal of Financial Economics* 60(2-3): 187-243.
- Graham, J., C. Harvey and S. Rajgopal, 2005. The economic implications of corporate financial reporting. *Journal of Accounting and Economics* 40(1-3): 3-73.
- Grossman, S., 1981. The Informational Role of Warranties and Private Disclosure about Product Quality. *Journal of Law and Economics* 24(3): 461-483.
- Grossman, S. and O. Hart, 1980. Disclosure Laws and Takeover Bids. *Journal of Finance* 35(2): 323-334.
- Grossman, S. and O. Hart, 1983. An analysis of the principal-agent problem. *Econometrica* 51(1): 7-45.
- Guay, W., S. Kothari and S. Shu, 2005. Properties of implied cost of capital using analysts' forecasts. Working Paper.
- O'Hanlon, J. and A. Steele, 2000. Estimating the equity risk premium using accounting fundamentals. *Journal of Business Finance and Accounting* 27 (9, 10): 1051-84.
- Hansen, G and C. Noe, 1999. When is managers' earnings guidance most influential? Working paper.
- Healy, P., A. Hutton and K. Palepu, 1999. Stock performance and intermediation changes surrounding sustained increases in disclosure. *Contemporary Accounting Research* 16(3): 485-520.
- Healy, P. and K. Palepu. Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics* 31(1-3): 405-440.
- Heneman, R., G. Ledford and M. Gresham, 2000. The changing nature of work and its effects on compensation design and delivery. In S. L. Rynes & B. Gerhart (Eds.). *Compensation in organizations: Current research and practice*: 195-240. San Francisco: Jossey-Bass.
- Hirshleifer, D., 2001. Investor psychology and asset pricing. *Journal of Finance* 56(4): 1533-1597.
- Hirshleifer, D. and S. Teoh, 2003. Herd behaviour and cascading in capital markets: A review and synthesis. *European Financial Management* 9(1): 25-66.

- Hirst, E., L. Koonce and S. Venkataraman, 2007. How disaggregation enhances the credibility of management earnings forecasts. *Journal of Accounting Research* 45(4): 811–837.
- Hirst, E., L. Koonce and S. Venkataraman, 2008. Management earnings forecasts: A review and framework. *Accounting Horizons* 22 (3): 315-338.
- Holder-Webb, L., 2003. Strategic use of disclosure policy in distressed firms. Working paper.
- Holland, J., and P. Doran, 1998. Financial institutions, private acquisition of corporate information, and fund management. *The European Journal of Finance* 4: 129-155.
- Hollenbeck, J., C. Williams and H. Klein, 1989. An empirical examination of the antecedents of commitment to difficult goals. *Journal of Applied Psychology* 74: 18-23.
- Holmstrom, B., 1979. Moral hazard and observability. *The Bell Journal of Economics* 10(1): 74-91.
- Holmstrom, B. and P. Milgrom, 1991. Multitask principal-agent analyses: incentive contracts, asset ownership, and job design. *Journal of Law, Economics, and Organization* 57: 25-52.
- Houston, J., B. Lev and J. Tucker, 2008. To guide or not to guide? Causes and consequences of stopping quarterly earnings guidance. Working paper.
- Hribar, P. and H. Yang, 2010. Does CEO overconfidence affect management forecasting and subsequent earnings management? Working paper.
- Hsieh, P., T. Koller and S. Rajan, 2006. The misguided practice of earnings guidance. *The McKinsey Quarterly* (spring).
- Hughes, J., J. Liu and J. Liu, 2007. Information asymmetry, diversification, and cost of capital. *The Accounting Review* 82(3): 705-729.
- Hutton, A, G. Miller and D. Skinner, 2003. The role of supplementary statements with management earnings forecasts. *Journal of Accounting Research* 41 (5): 867-890.
- Hutton, A., and P. Stocken, 2009. Prior forecasting accuracy and investor reaction to management earnings forecast. Working paper.
- Indjejikian, R., M. Matějka, K. Merchant and W. Van der Stede, 2009. Performance targets in annual bonus plans during a recession: Survey evidence on the discontinuity in earnings distributions. Working paper.
- Indjejikian, R. and D. Nanda, 2002. Executive target bonuses and what they imply about performance standards. *The Accounting Review* 77(4): 793-819.
- Ittner, C. and D. Larcker, 1998. Are nonfinancial measures leading indicators of financial performance? An analysis of customer satisfaction. *Journal of Accounting Research* 36: 1-35.

- Jensen, M., 2002. Value maximization and the corporate objective function. In Joerg Andriof, Sandra Waddock, Sandra Rahman and Bryan Husted. (eds) *Unfolding Stakeholder Thinking*. Greenleaf Publishing.
- Jensen, M. and W. Meckling, 1976. Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3: 305-360.
- Jog, V. and B. McConomy, 2003. Voluntary disclosure of management earnings forecasts in IPO Prospectuses. *Journal of Business Finance & Accounting* 30(1-2): 125-168.
- Karamanou, I. and N. Vafeas, 2005. The Association between corporate boards, audit committees, and management earnings forecasts: An empirical analysis. *Journal of Accounting Research* 43(3): 453-486.
- Kasznik, R., 1999. On the association between voluntary disclosure and earnings management. *Journal of Accounting Research* 37(1): 57-81.
- Knutson, P., 1992. Financial reporting in the 1990s and beyond: A position paper of the association for investment management and research. Charlottesville, VA: *Association for Investment Management and Research*.
- Koch, A., 2002. Financial distress and the credibility of management earnings forecasts. Working paper.
- Korn, E. and U. Schiller, 2003. Voluntary disclosure of nonproprietary information: A complete equilibrium characterization. *Journal of Business, Finance and Accounting* 30: 1327-1339.
- Kothari, S., 2001. Capital markets research in accounting. *Journal of Accounting and Economics* 31(1-3), 105-231.
- Kross, W., W. Lewellen and B. Ro, 1994. Evidence on the motivation for management forecasts of corporate earnings. *Managerial and Decision Economics* 15(3): 187-200.
- Lambert, R., C. Leuz and R. Verrecchia, 2007. Accounting information, disclosure, and the cost of capital. *Journal of Accounting Research* 45(2): 385-420.
- Lang, M. and R. Lundholm, 1993. Cross-sectional determinants of analyst ratings of corporate disclosures. *Journal of Accounting Research* 31(2): 246-271.
- Lang, M. and R. Lundholm, 1996. Corporate disclosure policy and analyst behavior. *The Accounting Review* 71(4): 467-492.
- Lansford, B., B. Lev and J. Tucker, 2009. Causes and consequences of disaggregating earnings guidance. Working paper.
- Latham, G. and G. Yukl, 1975. A review of research on the application of goal setting in organizations. *The Academy of Management Journal* 18(4): 824-845.
- Lennox, C. and C. Park, 2006. The informativeness of earnings and management's issuance of earnings forecasts. *Journal of Accounting and Economics* 42(3): 439-458.

- Leuz, C. D. Nanda and P. Wysocki, 2003. Earnings management and investor protection: an international comparison. *Journal of Financial Economics* 69: 505-527.
- Leuz, C. and R. Verrecchia, 2000. The economic consequences of increased disclosure. *Journal of Accounting Research* 38: 91-124.
- Lev, B. and S. Penman, 1990. Forecast disclosure, nondisclosure, and stock prices. *Journal of Accounting Research* 28(1): 49-76.
- Lev, B. and S. Thiagarajan, 1993. Fundamental information analysis. *Journal of Accounting Research* 31(2): 190-215.
- Li, X., 2009. The impacts of product market competition on the quantity and quality of voluntary disclosures. Working paper.
- Locke, E., 1968. Toward a theory of task motivation and incentives. *Organizational Behavior and Human Performance* 3: 157-189.
- Locke, E. and G. Latham, 2002. Building a practically useful theory of goal setting and task motivation. *American Psychologist* 57(9): 705-717.
- Matsumoto, D., 2002. Management's incentive to avoid negative earnings surprises. *The Accounting Review* 77(3): 483-514.
- Mavrinac, S. and T. Siesfeld, 1998. Measures that matter: an exploratory investigation of investors' information needs and value priorities. *Organisation for Economic Co-operation and Development*.
- McNichols, M. and P. O'Brien, 1997. Self-selection and analyst coverage. *Journal of Accounting Research* 35(Supplement): 167-199.
- Mercer, M., 2004. How do investors assess the credibility of management disclosures? *Accounting Horizons* 18(3): 185-196.
- Merchant, K., 1989. Rewarding results: Motivating profit center managers. *Harvard Business School Press*.
- Merchant, K. and J. Manzoni, 1989. The achievability of budget targets in profit centers - a field-study. *The Accounting Review* 64(3): 539-558.
- Milian, J., 2008. The relative information content of guidance and earnings. Working paper.
- Milgrom, P., 1981. Good news and bad news: representation theorems and applications. *Bell Journal of Economics* 12(2): 380-391.
- Miller, G., 2002. Earnings performance and discretionary disclosure. *Journal of Accounting Research* 40(1): 173-204.

- Mookherjee, D., 2006. Decentralization, hierarchies, and incentives: A mechanism design perspective. *Journal of Economic Literature* 44(2): 367-390.
- Murphy, K., 1998. Executive compensation. Available at SSRN.
- Myerson, R., 1979. Incentive compatibility and the bargaining problem. *Econometrica* 47(1): 61-74.
- Ng, J., İ.Tuna, and R. Verdi, 2008. Management forecast credibility and underreaction to news. Working paper.
- Ohlson, J., 1995. Earnings, book values, and dividends in equity valuation. *Contemporary Accounting Research* 11(2): 661-687.
- Ohlson, J., 2000. Residual income valuation: The problems. Working paper.
- Ohlson, J. and B. Juettner-Nauroth, 2005. Expected EPS and EPS growth as determinants of value. *Review of Accounting Studies* 10(2-3):349-365.
- Otley, D., 1999. Performance management: a framework for management control systems research. *Management Accounting Research* 10: 363-382.
- Penman, S., 1980. An empirical investigation of the voluntary disclosure of corporate earnings forecasts. *Journal of Accounting Research* 18(1): 132-60.
- Petersen, M., 2009. Estimating Standard Errors in Finance Panel Data Sets: Comparing Approaches. *Review of Financial Studies* 22(1): 435-480.
- Piotroski, J., 2002. The impact of management forecasts on short-term stock price volatility. Working paper.
- Pownall, G. and G. Waymire, 1989. Voluntary disclosure credibility and securities prices: Evidence from management earnings forecasts, 1969-73. *Journal of Accounting Research* 27 (2): 227-245.
- Pownall, G., C. Wasley and G. Waymire, 1993. The stock price effects of alternative types of management earnings forecasts. *The Accounting Review* 68(4): 896-912.
- Richardson, S., S. Teoh and P. Wysocki, 2004. The walk-down to beatable analyst forecasts: The role of equity issuance and insider trading incentives. *Contemporary Accounting Research* 21(4): 885-924.
- Roberts J., P. Sanderson, R. Barker and J. Hendry, 2006. In the mirror of the market: The disciplinary effects of company/fund manager meetings. *Accounting, Organizations and Society* 31(3): 277-294.
- Rogers, J. and P. Stocken, 2005. Credibility of management forecasts. *The Accounting Review* 80(4): 1233–1260.

- Ruland, W., S. Tung and N. George, 1990. Factors associated with the disclosure of managers' forecasts. *The Accounting Review* 65(3): 710-721.
- Schweitzer, M., L. Ordóñez and B. Douma, 2004. Goal setting as a motivator of unethical behavior. *Academy of Management Journal* 47(3): 422-432.
- Scott, W., 2006. Financial Accounting Theory. Pearson Prentice Hall.
- Sengupta, P., 1998. Corporate disclosure quality and the cost of debt. *The Accounting Review* 73(4): 459-474.
- Shen, R., 2008. The role of analysts in intra-industry information transfer. Working paper.
- Shih, M., 1998. Corporate hierarchy and goal attainability. *The Accounting Review* 73(4): 557-564.
- Skinner, D., 1994. Why firms voluntarily disclose bad news. *Journal of Accounting Research* 32(1): 38-60.
- Skinner, D., 1995. Do the SEC's safe harbor provisions encourage forward-looking disclosures? *The Financial Analysts' Journal* 51(4): 38-44.
- Soffer, L., S. Thiagarajan and B. Walther, 2000. Earnings preannouncement strategies. *Review of Accounting Studies* 5(1): 5-26.
- Tasker, S., 1998. Bridging the information gap: Quarterly conference calls as a medium for voluntary disclosure. *Review of Accounting Studies* 3(1,2): 137-167.
- Trueman, B., 1986. Why do managers voluntarily release earnings forecasts? *Journal of Accounting and Economics* 8(1): 53-71.
- Verrecchia, R., 1983. Discretionary disclosure. *Journal of Accounting and Economics* 5(3): 179-194.
- Verrecchia, R., 1990. Information quality and discretionary disclosure. *Journal of Accounting and Economics* 12(4): 365-380.
- Wagenhofer, A., 1990. Voluntary disclosure with a strategic opponent. *Journal of Accounting and Economics* 12(4): 341-363.
- Wasley, C and J. Wu, 2006. Why do managers voluntarily issue cash flow forecasts? *Journal of Accounting Research* 44(2): 389-429.
- Waymire, G., 1984. Additional evidence on the information content of management earnings forecasts. *Journal of Accounting Research* 22(2): 703-719.
- Welch, I., 2005. A first course in corporate finance. <http://welch.econ.brown.edu/book/>
- Welker, M., 1995. Disclosure policy, information asymmetry and liquidity in equity markets. *Contemporary Accounting Research* 11(2): 801-827.

Williams, P., 1996. The relation between a prior earnings forecast by management and analyst response to a current management forecast. *The Accounting Review* 71(1): 103–115.